

Optimism expressed at shareholder's meeting

"I'm pleased to announce that the Kmart Corporation is now on a path of solid earnings performance and will remain so into the foreseeable future. Every division of the company shows healthy opportunity for improved market share as well as sales and earnings increases."

That was just some of the good news heard at this year's annual meeting as Board Chairman B.M. Fauber addressed Kmart shareholders.

Mr. Fauber went on to explain that the Kmart of the 80s, now past the conceptual stage, is being installed in stores nationwide and that our new merchandising applications are already being accepted by the consumer.

Originally projected for '83 was the installation of 40 home centers; however, due to overwhelming customer response, as many as 500 may be completed by this year.

The new venture with soft good specialty retailing, Designer Depot, is still showing great promise. Again, originally forecasted were 30 stores, yet it appears that Kmart could exceed this original objective before year end.

Beyond Designer Depot, Kmart is studying plans to develop other specialty discount businesses in a variety of product categories.

Also, certain lines of existing merchandise will be expanded while others will be reduced.

Kmart for the last three years has weathered adversity, but through these uncertain times, the company has introduced new vigor, creativity and excitement, not only from within but from the reception of the consumer. "Our position in the marketplace today, combined with a growing and healthy U.S. economy, provides a solid foundation for optimism about the future."



Clockwise, a shareholder raises a question for the board, Justice Mary S. Coleman who was recently appointed a director, Gloria M. Shatto, President of Berry College and Norman G. Milley, Executive Vice President of Merchandising and Subsidiaries — Kmart's newly appointed directors, President and Chief Operating Officer Samuel G. Leftwich meeting with the press, Stanley S. Krasge (standing) also in attendance and Milley meeting with shareholders after the meeting.